

UNAUDITED QUARTERLY REPORT ON FINANCIAL RESULTS FOR THE PERIOD ENDED 30 JUNE 2010**Notes to the Interim Financial Report****A1. Accounting Policies**

The interim financial reports are unaudited and have been prepared in accordance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

A2. Change in Accounting Policies

The significant accounting policies adopted are consistent with those in the audited financial statements for the financial year ended 31 March 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and Interpretations by the Group with effect from 1 January 2010.

FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

Other than the adoption of FRS 101 and FRS 139, the adoption of the above FRSs, Amendments to FRSs and IC Interpretation did not result in any significant changes in the accounting policies and the presentation of the financial results of the Group.

(a) FRS 101: Presentation of Financial Statements

This Standard introduces the titles "statement of financial position" and "statement of cash flows" to replace the current titles "balance sheet" and "cash flow statement" respectively. A new statement known as the "statement of comprehensive income" is also introduced in this Standard whereby all non-owner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income).

There is no impact on the Group's financial statements as this change in accounting policy affects only the presentation of the financial statements.

(b) FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and commercial contracts to buy and sell non-financial items. In accordance with the transitional provisions, the Group has adopted FRS 139 prospectively on 1 April 2010 and the comparatives as at 31 March 2010 are not restated.

The adoption of FRS 139 did not result in any significant of the financial results of the Group.

A3. Audit Qualification on Annual Financial Statements

The audit report of the Group's annual Financial Statements for the financial year ended 31 March 2010 was not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group's business operations are not significantly affected by any seasonal or cyclical factors.

A5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period.

A6. Material Changes in Accounting Estimates

There were no changes in accounting estimates for financial period under review.

A7. Debts and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of treasury shares and repayment of debt and equity security during the financial quarter ended 30 June 2010.

A8. Dividend Paid

There were no dividend payments made in current quarter.

A9. Segmental Reporting

	Manufacturing of wood products <u>RM'000</u>	Distributing of wood products <u>RM'000</u>	Others <u>RM'000</u>	Elimination <u>RM'000</u>	Consolidated <u>RM'000</u>
External sales	21,017	64,090	-	-	85,107
Inter-segment sales	2,399	4,421	216	(7,036)	-
	<u>23,416</u>	<u>68,511</u>	<u>216</u>	<u>(7,036)</u>	<u>85,107</u>
Segment results	<u>2,996</u>	<u>3,821</u>	<u>(116)</u>	<u>-</u>	6,701
Interest income					56
Unallocated corporate expenses					(306)
Finance costs					<u>(823)</u>
Profit before tax					5,628
Income tax expense					<u>(1,343)</u>
Profit for the year					<u>4,285</u>

DOMINANT ENTERPRISE BERHAD (221206-D)

	Manufacturing of wood products <u>RM'000</u>	Distributing of wood products <u>RM'000</u>	Others <u>RM'000</u>	Elimination <u>RM'000</u>	Consolidated <u>RM'000</u>
<u>Assets</u>					
Segment assets	57,864	141,472	22,591	-	221,927
Unallocated corporate assets					<u>6,001</u>
Consolidated total assets					<u><u>227,928</u></u>
<u>Liabilities</u>					
Segment liabilities	11,437	16,329	219	-	27,985
Unallocated corporate liabilities					<u>72,093</u>
Consolidated total liabilities					<u><u>100,078</u></u>

A10. Valuations of Property, Plant and Equipment

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A11. Subsequent Material Events

There are no subsequent material events that are required to be reflected in the current quarter.

A12. Changes in the Composition of the Group

There were no changes in Composition of the Group for current quarter under review.

A13. Contingent Liabilities

As of 30 June 2010, the Group has credit facilities from licensed banks, financial institutions and suppliers totalling RM 221.87 million (RM 223.23 million in March 2010) which are guaranteed by the Company. Accordingly, the Company is contingently liable to the extent of credit facilities utilised by its subsidiary companies as of period-end amounting to about RM 73.39 million (RM 59.83 million in March 2010).

Additional Information Required by the Bursa Malaysia Listing Requirements**B1. Review of the Performance**

For the financial period ended 30 June 2010, the Group recorded a revenue of RM 85.11 million. This represented an increase of 11.21% as compared to RM 76.53 million in the preceding year corresponding quarter ended 31 March 2010. The profit before tax ("PBT") had also increased by 4.26% to RM 5.63 million. The lower growth in PBT is mainly due to the lower profit margin caused by the higher material costs.

B2. Variation of Results Against Preceding Quarter

For current quarter under review, the Group's revenue growth 8.86% as compare to RM 78.18 million in the preceding quarter ended 31 March 2010. The PBT has also increase by 10.83% from RM 5.08 million to RM 5.63 million.

B3. Prospects

The board will remain focus on its current business and will continuously take necessary steps to maintain the profitability of the group.

B4. Taxation

The taxation is calculated based on the profit for the financial period ended 30 June 2010 comprises the following:

	Current Quarter <u>RM'000</u>	Current Year To Date <u>RM'000</u>
<u>Income tax Expenses :</u>		
Current Quarter/Year	1,343	1,343
Under-provision in Prior Quarter/Year	-	-
	<u>1,343</u>	<u>1,343</u>

The effective tax rate of the Group for financial period ended 30 June 2010 is lower than the statutory tax rate and this is principally due to the utilisation of tax allowances.

B5. Unquoted Investments and/or Properties

There were no disposals of unquoted investment and/or properties for the quarter under review.

B6. Quoted Securities

There were no purchases or disposals of quoted securities for the quarter under review.

B7. Status of Corporate Proposals

There was no corporate proposal for the quarter under review.

B8. Borrowings

The Group's borrowings as at the end of the reporting period are 100% unsecured :-

	As At 30 June 2010 <u>RM'000</u>	As At 31 March 2010 <u>RM'000</u>
Short Term Borrowing	61,421	47,958
Long Term Borrowing	6,119	6,509
	<u>67,540</u>	<u>54,467</u>

B9. Off Balance Sheet Financial Instruments

There was no financial instrument with off balance sheet risk as at the date of this report.

B10. Material Litigation

There was no change in material litigation since the last audited annual balance sheet date.

B11. Derivatives Financial Instruments

As at 30 June 2010, the Group's outstanding derivatives are as follows :-

<u>Type of Derivatives</u>	<u>Contract Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>
Foreign Currency Forward Contracts		
- Less than 1 year	3,630	3,641

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risk, credit risk, liquidity risk and foreign currency risk.

B12. Proposed Dividend

(a) For financial year ended 31 March 2010

A final dividend of 1.0 sen per share, less 25% tax, for the financial year ended 31 March 2010 had been declared and subject to shareholders' approval at the forthcoming Annual General Meeting to be held on 20 September 2010. The dividend if approved will be payable on 04 October 2010 to shareholders whose name appear in the Record of Depositors at the close of business on 24 September 2010.

(b) For financial year ending 31 March 2011

The Board proposed a first interim dividend of 1 sen per share, less 25% tax, for the financial year ending 31 March 2011 to be paid on 4 October 2010 to shareholders whose names appear in the Record of Depositors at the close of business on 24 September 2010.

B13. Earnings Per Share ("EPS")

The EPS is derived as follow :-

	Current Quarter	Current Year To Date
Net profit for the period/year (RM'000)	4,248	4,248
Weighted average number of ordinary shares ('000)	124,172	124,172
Adjusted weighted average number of ordinary shares for calculating diluted EPS ('000)	126,588	126,588
EPS (sen)	3.42	3.42
Diluted EPS (sen)	3.36	3.36